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NSC BRIEFING

6 June 1956

**BACKGROUND - SOUTH VIETNAM**

- I. Despite some criticism of Diem as "authoritarian", Government of South Vietnam continues to make steady if unspectacular progress in broadening its base, and attacking pressing economic problems.
- A. Both the final withdrawal of the French Expeditionary Corps and the official deferment of the nationwide "unification" election (scheduled for July '56 under Geneva agreement) have contributed to South Vietnam's rising self-confidence.
- B. Adoption of a constitution is expected before the end of June: government has studied US and Philippine models. Document will guarantee individual rights and provide separation of powers, but--for present--effective control will remain with Presidency, since Diem fears "full democracy" while Viet Minh subversive threat remains.
- II. Preoccupation heretofore with security matters has permitted few South Vietnamese attacks on serious economic and social problems confronting nation. Now, however, Diem is taking corrective steps.
- A. Long-planned agrarian reforms starting.
- B. Integration of 600,000 refugees from North beginning to move smoothly.
- C. Steps being taken to attract foreign capital, broaden country's production base.

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